

81N 969015

By 5/1/88 Date 5/1/88



Department of State

TELEGRAM

XR AID (US) 15-9 AFG

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ACTION AID-59

INFO: OCT-01 RSR-01 NEA-04 EUR-06 E-03 IGA-02 INR-06 IO-09
LL-03 CTAE-00 DODE-00 EA-04 /098 W

078477

R 170933Z AUG 71 ZDK
FM AMEMBASSY KABUL
TO SECSTATE WASHDC 5979
INFO AMEMBASSY ISLAMABAD
AMEMBASSY MOSCOW
AMEMBASSY ROME

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AIDAC:

JOINT EMBASSY/USAID MESSAGE:

SUBJECT: AFGHAN WHEAT REQUIREMENTS

ROME FOR FODAG

1. ON AUGUST 14 AMBASSADOR NEUMANN ACCOMPANIED BY HARVEY RESPONDED TO REQUEST FROM MINPLAN SARABI FOR APPOINTMENT. SARABI EXPLAINED THAT RGA ESTIMATE OF WHEAT DEFICIT THIS YEAR BASED ON COUNTRY-WIDE SURVEY CONDUCTED BY MINAG AND MORE RECENT INFORMATION ON CURRENT HARVEST INDICATED THAT GAP IN PROSPECT EXCEEDED 500,000 TONS INSTEAD OF 350,000 TONS ESTIMATED EARLIER. HE SAID ALSO OTHER POTENTIAL SUPPLIERS, INDICATING CANADA, AUSTRALIA BUT NOT MENTIONING USSR, APPARENTLY WERE GOING TO BE DISAPPOINTING IN THEIR RESPONSES TO AFGHAN APPEAL FOR CONCESSIONAL WHEAT SUPPLIES. ACCORDINGLY RGA WISHED TO INCREASE ITS REQUEST TO USG FROM 100,000 TONS INDICATED EARLIER TO 250,000 TONS ON A GRANT BASIS.

2* AMBASSADOR RESPONDED THAT USG HAD BEEN SOMEWHAT SLOW IN RESPONDING TO INITIAL RGA REQUEST BUT NOW EMERGENCY APPEAL OF NEW GOVERNMENT HAD BROUGHT QUICK AND DEFINITIVE RESPONSE INCLUDING AUTHORIZATION NEGOTIATING LONG-TERM CREDIT FOR 100,000

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E.O. 12958, as amended
June 9, 2005

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TONS. HE URGED FASTEST POSSIBLE SIGNATURE THIS TITLE I AGREEMENT BOTH IN ORDER AVOID DELAY IN SHIPMENT BECAUSE OF PROBABLE OCTOBER I STRIKE AND AS DEMONSTRATION OF REAL URGENCY OF NEED WHICH WOULD BE THE BEST SUPPORT FOR SERIOUS CONSIDERATION OF INCREASED SUPPLY.

3. SARABI INDICATED HE UNDERSTOOD THIS BUT RGA CURRENTLY IN EXTREMELY THIN SITUATION REGARDING FOREIGN EXCHANGE WITH WHICH FINANCE OCEAN TRANSPORT AND INLAND TRANSPORT. HE URGENTLY REQUESTED ANY POSSIBLE U.S. HELP WITH THESE TRANSPORT COSTS WHICH TOTAL \$4 MILLION OR MORE ON 100,000 TONS. WE EXPLAINED DIM PROSPECT FOR HELP ON OCEAN TRANSPORT BUT URGED RGA APPROACH GOVERNMENT OF PAKISTAN AS BASIS PAK RUPEE LOAN COVER INLAND REQUIREMENTS ANALYSIS TO JUSTIFY FURTHER SHIPMENTS AND INFORMATION ON PLANS CONCERNING WORK PROJECT AND OTHER DIRECT

DISTRIBUTION TO POVERTY-STRICKEN POPULATION OF DROUGHT AREAS AS BASIS FOR TITLE II RECOMMENDATION.

4. MALIKYAR VISIT REPORTED STATE 148924 NOT REPEAT NOT REFLECTION THIS ADDITIONAL REQUEST BUT SIMPLY RESULT OF HIS BELIEF BASED ON PREVIOUS CONVERSATION THAT STATE/AID HAD NOT UNDERSTOOD THAT ORIGINAL RGA 100,000 TON REQUEST WAS FOR GRANT. RGA HERE DID NOT SHARE THIS CONFUSION BUT INSTRUCTED HIM THAT IF HE THOUGHT HE COULD INFLUENCE USG TO PROVIDE THIS WHEAT AS GRANT, HE SHOULD TRY.

5. IN SUBSEQUENT CONVERSATIONS WITH MINPLAN STAFF AND ADVISORS WE HAVE EMPHASIZED NEED FOR ABOVE ANALYSIS AS BASIS FOR MISSION RECOMMENDATION. WE EXPECT THESE SHORTLY. STOCKS ARE LOW AND NEED FOR ADDITIONAL SUPPLIES IS WIDESPREAD. OUR CURRENT HUNCH IS THAT IF IMPORTS OF AT LEAST 300,000 TONS CANNOT BE ASSURED FOR FY 72 FURTHER SHARP PRICE INCREASES, COMMERCIAL PANIC AND WIDESPREAD SUFFERING IN THE LATE WINTER AND SPRING WILL RESULT. REQUIREMENT FOR FURTHER U.S. SUPPLY WILL DEPEND IN LARGE PART ON AVAILABILITIES FROM USSR ON WHICH ANY AVAILABLE INFORMATION WOULD BE APPRECIATED ASAP. ANTICIPATE MISSION RECOMMENDATION BY SEPTEMBER 10.
DECON AUGUST 15, 1972.
NEUMANN

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